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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
—CONTROL—
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY

COMMENTS FROM U.S. ARMY TRANSPORTATION COMMAND

Dear Office of Chief Counsel:

The Railroads for National Defense Program ("RND Program"), under the U.S. Army Transportation Command ("ARTRANS") and U.S. Transportation Command (USTRANSCOM), respectfully submits the enclosed comments in response to the application filed by Union Pacific Corporation and Union Pacific Railroad Company to acquire control of Norfolk Southern Corporation and Norfolk Southern Railway (collectively the "Applicants").

In submitting these comments, the RND Program currently does not take a substantive position in support of, or in opposition to, the Applicants' proposed transaction. The enclosed comments outline and request the Surface Transportation Board's ("Board") careful consideration of national defense interests when analyzing the merits and impacts of the proposed transaction.

Should any questions arise regarding the RND Program's comments, please do not hesitate to contact me at (618) 220-5052 or by email at stacy.e.flippin.civ@army.mil. Thank you for your consideration of the enclosed.

Respectfully submitted,

/s/ ***Stacy E. Flippin***
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UNITED STATES TRANSPORTATION COMMAND

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Office of Special Assistant
For Transportation Engineering

17 November 2026

Subject: Railroads for National Defense (RND) Program Comments on Union Pacific Acquisition and Control of Norfolk Southern; Finance Docket No. 36873

Dear Chairman Fuchs, Vice-Chair Schultz, and Members Hedlund and Kloster:

Please find the comments below from the Railroads for National Defense ("RND") Program under Finance Docket No. 36783 regarding Union Pacific Corporation's ("UP"), et. al., proposed acquisition and control of Norfolk Southern Corporation ("NS"), et. al. While the RND Program does not currently take a substantive position in support of, or in opposition to, the Applicants' proposed transaction, RND requests the Board take careful consideration of the national defense interests in this transaction. In particular, the RND Program urges the Board to consider both the short- and long-term impacts the transaction may have on the railroad network's capability and capacity to meet military requirements, as well as potential strategies to mitigate variables that could affect national defense readiness.

Introduction & Background:

On behalf of the Department of War ("DoW") and U.S. Transportation Command ("USTRANSCOM"), the RND Program within the U.S. Army Transportation Command ("ARTRANS") has an ongoing interest in America's rail network to make sure it meets military readiness capability requirements for both defense deployment and peacetime needs. Rail transportation is extremely important to DoW. Heavy tracked vehicles, high-volume movements of wheeled vehicles, and other defense materiel rely on rail to meet contingency deployment timelines between inland installations and seaports of embarkation ("SPOEs"). The economy of scale offered by domestic freight rail transportation is a strategic advantage.

The RND Program works with each Military Service to identify its requirements for civil sector rail service. The Military Services' needs and requirements are advocated for and integrated into civil sector plans, standards, programs, regulations, and rules. The primary method in which the RND Program communicates DoW rail service needs is through collaboration with the Federal Railroad Administration ("FRA") in the designation of the Strategic Rail Corridor Network ("STRACNET") and its associated Defense Connector lines. The STRACNET and Defense Connector system consists of over 41,000 miles of rail line deemed important to national defense rail network connectivity requirements. These lines directly serve or connect approximately 140 locations nationwide that require active commercial rail service to meet military needs. Examples of these locations include, but are not limited to, major force projection installations such as Fort Bliss, TX, ammunition production sites such as McAlester Army Ammunition Plant, OK, and designated Commercial Strategic Seaports such as the Port of Charleston, SC.

The RND Program, in conjunction with the ARTRANS Office of the Staff Judge Advocate ("SJA"), monitors all filings with the Board to evaluate potential impacts to DoW missions. The RND Program serves as DoW's single manager for comments, filings, and participation in active Board proceedings. It analyzes all proposed railroad abandonments, discontinuances, mergers, and rulemaking changes to confirm there are no negative impacts to STRACNET or other DoW civil rail transportation requirements.

The Department of War Relies on a Reliable and Resilient Rail Network

During national security emergencies, the DoW must be able to rapidly move a large quantity of defense materiel between force projection installations to SPOEs. To accomplish this, DoW and USTRANSCOM require a safe, reliable, resilient, flexible and fluid STRACNET; overall, the commercial rail network is the only feasible means of transporting the required volume of equipment within narrow timeframes.

This reliance is especially critical in the current national security environment where the majority of force projection capability is generated by military installations within the Continental United States ("CONUS"). DoW depends on close partnerships with commercial rail carriers to maintain infrastructure that meets military needs and to assure sufficient levels of service to meet mission timelines. This includes the ability for railroads to quickly assign available crews and locomotives during rapid surge operations.

The RND Program acknowledges the longstanding partnership between the military and commercial rail industry, which has aided national security and defense needs since the Civil War. Today, commercial freight rail carriers, including the Applicants, generally provide adequate levels of service for peacetime needs and have often responded to unique rotational deployments and other timely mission needs. Commercial carriers prioritize military unit trains, often routing to avoid congestion and using run-through power with streamlined handoff operations, leading to interchanges with minimal dwell and timely long-haul service.

Applicants' Defense Related Equities

Union Pacific and Norfolk Southern are two important commercial partners for USTRANSCOM. Together, UP and NS operate approximately 17,600 miles of STRACNET and Defense Connector designated rail lines. They provide direct rail service to over 60 defense installations, including numerous Power Projection Platform installations, ammunition depots, naval depots, and both commercial and military Strategic Seaports. Resulting rail service at these 60-plus locations typically generates thousands of total defense-related carloads per year.

The RND Program, through ARTRANS SJA, has monitored all filings within this proceeding since filing as a party of record on November 19, 2025. The RND Program acknowledges the applicant's consideration of potential benefits to national defense in both their original and revised application in accordance with application requirements under 49 C.F.R. § 1180.1(l). This included confirmation of the number of defense sites served (UP/NS Revised Application – Vol. 1 Page 47) and claims regarding how the transaction could improve military cross-country efficiency and network resiliency (UP/NS Revised Application – Vol. 1 Page 47, Page 236).

The Board Should Consider Impacts to Military Readiness & Resilience

Under 49 U.S.C. § 10101(4), it is the explicit policy of the United States Government in regulating the rail industry "to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, *to meet the needs of the public and the national defense*." (emphasis added) When evaluating major rail mergers or control transactions under 49 U.S.C. § 11324, the Board is statutorily mandated to evaluate the public interest. Implementing regulations outlined in 49 C.F.R. § 1180.1(b) explicitly state that the Board must consider the public interest criteria prescribed in 49 U.S.C. 11324 and the rail transportation policy set forth in 49 U.S.C. § 10101. Additionally, 49 C.F.R. § 1180.1(l) affirms the 49 U.S.C. § 10101 statutory mandate that rail mergers must not detract from the ability of the United States military to rely on rail transportation to meet the nation's defense needs.

Given the unprecedented scale of the proposed transaction and DoW's dependency on a resilient freight rail network, the RND Program seeks to make sure the Board and relevant stakeholders possess a comprehensive understanding of the specific, defense-related public interests that should be evaluated during this proceeding. These considerations are detailed below along with an assessment of their potential variables and operational consequences. Furthermore, the RND Program notes that Board approval of the proposed transaction could reasonably incentivize further industry-wide consolidation. The long-term cumulative impacts of such consolidation are factored into the analysis of the considerations set forth below.

1. Post-Merger Service Disruptions Have Reduced Defense Readiness

Historically, large-scale railroad consolidations resulted in periods of transitional service degradation. The 1996 Union Pacific-Southern Pacific ("UP-SP") merger, the 1999 Conrail transaction partitioning assets to CSX Transportation ("CSX") and Norfolk Southern, and the 2023 Canadian Pacific-Kansas City ("CPKC") merger all experienced documented service disruptions, yard congestion, and severe shipment delays during network integration.

These service disruptions have direct, adverse repercussions on the readiness and responsiveness of the DoW during national security emergencies. Network congestion and transit delays introduce downstream risks to active missions and degrade the capability of military installations to rapidly mobilize. For example, operational disruptions following the post-merger CPKC Information Technology ("IT")-integration in spring 2025 directly delayed two active military missions: one redeployment rotation in the Gulf of America region and one foreign military sales shipment destined for a west coast seaport. As the carrier diverted resources to mitigate service issues for other shippers, this resulted in missed car placement and pull dates at military sites and significant transit delays for defense cargo already in movement.

These widespread service issues and network delays necessitated formal Board intervention and oversight. The disruptions were gradually mitigated; however, the operational degradation demonstrated a window in which the DoW's capability to respond to a major national security contingency could be constrained. Past disruptions were also isolated to specific geographic regions. The RND Program cautions that similar integration failures occurring within a transcontinental network could possibly propagate service delays of a much broader, systemic scale across defense sites nationwide.

2. Optionality and Flexibility

Maintaining redundant and economically viable competing rail corridors is important to national defense and overall rail network resilience. Multiple routing options provide operational flexibility, allowing military rail movements to bypass localized congestion, physical infrastructure outages, or carrier-specific service failures. A consolidated UP-NS system may incentivize a responsive consolidation between the remaining Class I systems, such as BNSF Railway ("BNSF") and CSX. Such a transaction could realistically reduce the domestic rail network to two parallel transcontinental networks, limiting some existing routing optionality available to military logistics planners and decision makers.

Currently, several strategic defense origin-destination pairs possess the operational flexibility to use competing gateways, interchanges, and carriers. For example, strategic shipments originating at Fort Riley, KS (solely served by UP) destined for the Port of Charleston, SC (jointly served by CSX and NS) benefit from the competitive option to select between two eastern Class I connections across multiple interchange locations.

A similar operational benefit exists for movements between Fort Campbell, KY (served by CSX) and the Port of Beaumont, TX (served by BNSF, UP, and CPKC), which currently offers multiple redundant east-west routing connections and interchange gateways. Further industry consolidation would likely reduce these competitive origin-destination pairs to single-line service. Without mitigation, this could lessen readily available operational flexibility and options the DoW is routinely able to exercise. The loss of routing optionality could be particularly important in a contested homeland environment, where physical or cyber disruptions targeting a single carrier within a consolidated network could disrupt this single line service.

3. Impacts to Low-Volume/Low-Density Branch Lines

The RND Program maintains ongoing oversight over the viability of low-density STRACNET and Defense Connector lines. These low-density STRACNET and Defense Connector lines, defined by the RND Program as carrying an annual traffic volume of less than three million gross tons, often serve military installations and activities that require rail service on an intermittent or as needed basis. UP and NS directly serve ten defense sites situated on lines meeting this low-density definition.

Low-density lines are historically the type of infrastructure most vulnerable to abandonment or discontinuance proceedings before the Board, as demonstrated by Southern Pacific's (now Union Pacific) Thorne Branch serving Hawthorne Army Depot, NV (see ICC Docket No. AB-12; Sub-No. 136X). The RND Program acknowledges the Applicants' statement that they "are not planning to change UP's or NS's principal routes or to abandon or divest any lines as a result of the consolidation" (UP/NS Revised Application – Vol. 2, Page 578).

However, post-merger Class I carriers operating under unified management have historically concentrated capital and resources on high-density, long-haul corridors to achieve projected financial and operating efficiencies. This operating model sometimes resulted in areas of deferred maintenance, service reductions, or outright abandonment filings on low-density branch lines. STRACNET and Defense Connector line resilience could potentially be reduced if this pattern were to be repeated and go unmitigated in a more consolidated rail network.

4. Cyber Infrastructure Resilience

Cybersecurity and operational technology ("OT") resilience are critical components of national transportation security and national defense readiness. The RND Program urges the Board to consult cybersecurity and OT experts to determine potential impacts of further industry consolidation on the resilience of U.S. rail digital infrastructure. Specifically, the Board should analyze whether a systemic IT/OT failure, software integration error, or hostile cyberattack targeting a single consolidated rail carrier would propagate operational delays across a significantly larger portion of the rail network than under the current, more decentralized rail ecosystem. As previously noted, recent major rail mergers established precedent for the ramifications that post-transaction IT integration issues have on national defense readiness.

5. TTX Company

Like other shippers, the DoW relies on a readily available and sufficient supply of commercial railcars owned by the TTX Company ("TTX"). TTX owns a fleet of several thousand flatcars that are militarily important for mobilization needs. The existing operating structure of TTX and Board authorized railcar pooling authority is a strategic advantage to the DoW. The RND Program acknowledges that the UP-NS control transaction does not require separate Board approval for UP's controlling ownership of TTX. If the Board were to evaluate the TTX ownership arrangement during this proceeding, the RND Program requests the Board consider DoW's interest in and reliance on TTX's ability to freely shift resources amongst their owners based on requirements.

6. Structural Impacts on Short Line and Regional Carriers

The RND Program also respectfully requests that the Board carefully evaluate how the proposed consolidation may structurally and commercially affect Class II and Class III rail carriers. Short line and regional railroads serve as indispensable partners to the DoW. Class II and III railroads operate over 6,000 miles of STRACNET or Defense Connector lines and provide vital "first-mile/last-mile" service to 40 defense installations and strategic seaports. These smaller carriers also provide critical interchange, switching, and terminal services at major gateways, thereby reducing congestion and maintaining the fluidity of the STRACNET and overall national rail network.

As formally documented in comments submitted by other short line stakeholders, major railroad consolidations without appropriate structural conditions may introduce operational and commercial imbalances that affect short line viability. Short line and regional railroads face unique market challenges with further Class I consolidation, including potential imposition of unilateral Class I cost-shifting policies, commercial routing restrictions, enforcement of interchange "paper barriers," and the escalation of intermediate switching fees.

Any degradation of short line operating margins directly reduces the financial capacity of these carriers to fund essential infrastructure maintenance and track upgrades on lines designated as STRACNET or Defense Connectors. For defense shippers reliant on short lines for rapid mobilization, any corporate Class I policies that reduce interchange frequency, restrict routing optionality, or create equipment bottlenecks at gateways could directly impair military readiness and network resilience. Accordingly, the RND Program urges the Board to consider the unique Class II and Class III interests and proposed remedies articulated by relevant stakeholders.

Potential Mitigation Strategies to Limit Defense Ramifications

The RND Program is openly considering various mechanisms the Board could employ to address and minimize any potential adverse impacts arising from the variables detailed above. Outlined below are examples of defense-specific mitigation strategies that the Board could evaluate during its consideration of the proposed transaction. Inclusion of these strategies is intended for informational purposes; it does not constitute a formal request for specific transaction-approval conditions, nor represent an expression of a formal position by the RND Program or DoW on the merits of the transaction.

1. Targeted Reciprocal Switching

To proactively address localized service failures and maintain routing redundancy, the Board could prescribe targeted reciprocal switching agreements at key, sole-served military installations. Under 49 U.S.C. § 11102(c)(1), the Board has the statutory discretion to order reciprocal switching when it determines such arrangements are either "practicable and in the public interest" or "necessary to provide competitive rail service".

As the RND Program previously commented in Docket No. EP 788, the adequacy and requirements of competitive rail service to military installations should be defined by its overall reliability, resiliency, and flexibility to meet national security surge requirements, rather than volume or service-based metrics alone. Under the second statutory standard of § 11102(c)(1), prescribing reciprocal switching at select defense sites is "necessary to provide competitive rail service" and is substantiated by the Rail Transportation Policy in 49 U.S.C. § 10101(4), which mandates a rail system that meets the needs of the public and the national defense. Implementing targeted reciprocal switching orders at strategic defense locations assures the DoW can retain multi-carrier access and operational redundancy that can be proactively exercised prior to any national emergency. This would also reduce reliance on reactive relief actions under 49 C.F.R. § 1146 and 1147 if rail service emergencies occur.

2. Military-Specific Operational Metric Monitoring & Task Force

To guarantee post-merger integration does not degrade military readiness, the Board could direct the monitoring of military-specific operational metrics. Rather than relying on blended, system-wide averages that can obscure localized service failures, the Board may direct the Applicants report weekly, defense-specific performance data.

This reporting framework should include a comparative "before-and-after" analysis of Estimated Time of Arrival ("ETA") accuracy for military shipments, localized Industry Spot and Pull ("ISP") success rates at defense locations, and system average train speed for military movements. Such granular data transparency could allow the Board and DoW to identify and remediate integration-related bottlenecks in near-real time.

The Board could also direct the establishment of a dedicated military-specific rail service integration task force. This task force, funded and staffed by the Applicants, would be responsible to monitor, pre-plan, and immediately mitigate post-merger integration delays affecting military shipments and defense installation readiness capability. By establishing this direct liaison, the task force can verify that national defense shipments are proactively prioritized and protected from constraints that have characterized post-merger integration periods.

3. Protection of Low-Density STRACNET and Defense Connector Lines

To preserve the structural connectivity of the STRACNET, the Board could direct a commitment from the Applicants not to abandon low-density STRACNET or Defense Connector lines without prior agreement from the DoW. This commitment could prohibit the discontinuance or abandonment of any branch line carrying less than three million gross tons that serves a designated defense facility or installation during a Board directed oversight period, unless the RND Program provides explicit concurrence.

4. Bolster Short Line and Regional Railroads

To protect Class II and III networks against potential adverse consolidation impacts, the Board should consider the structural remedies articulated in formal comments submitted by appropriate stakeholders and industry associations. These include protocols that restrict the enforceability of paper barriers on short line growth, cap intermediate and reciprocal switching fees, and establishment of enforceable car supply procedures. Bolstering short line viability aids these carriers in their ability to remain operationally resilient, responsive, and to fund critical infrastructure maintenance and upgrades on key STRACNET and Defense Connector lines.

Conclusion

The Railroads for National Defense Program respectfully requests the Board carefully evaluate the national defense implications of the proposed Union Pacific-Norfolk Southern control transaction. Consistent with the national rail transportation policy established in 49 U.S.C. § 10101(4), the Board must make sure any approved transaction does not diminish the operational readiness of the commercial rail network to meet military mobilization requirements.

The RND Program appreciates the Board's ongoing attention to national defense equities in this proceeding and remains available to provide assistance regarding defense requirements. For any response to this submittal or for general inquiries to the RND Program, please contact my office via email at usarmy.scott.sddc.mbx.tea-rnd@mail.mil.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of November, 2026, I caused copies of the foregoing to be served: (i) by email or by first-class mail, postage prepaid upon all parties of record in this proceeding; and (ii) upon the other individuals that the Board identified for service in its Decision No. 5 served on September 26, 2025.

/s/ ***Stacy E. Flippin***
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